

TRIPURA GAZETTE



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**PART--I-- Orders and Notifications by the Government of Tripura,
The High Court, Government Treasury etc.**

**GOVERNMENT OF TRIPURA
URBAN DEVELOPMENT DEPARTMENT**

No. F.11(1)-UDD/DUD/SFC/2021/10896-11273

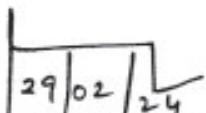
Dated, Agartala the 29th Feb. 2024.

NOTIFICATION

Decision on the recommendation of the 5th State Finance Commission.

Under the provision of Article 243Y of Constitution of India read with Section 269 of Tripura Municipal Act, 1994, the 5th State Finance Commission was appointed to make recommendations as to -

- (1) The Principles which shall govern :
 - (i) The distribution between the State and the Municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the State which may be divided between them under this Part and the allocation between the Municipalities at all levels of their respective shares of such proceeds ;
 - (ii) The determination of the taxes, duties, tolls and fees which may be assigned to or, appropriated by the Municipalities;
 - (iii) The grant-in-aid to the Municipalities from the Consolidated Fund of the State;
- (2) the measures needed to improve the financial position of the Municipalities;
2. The 5th State Finance Commission submitted its report in February, 2021.
3. After careful examination of the recommendations the decisions as per column 3 of the Annexure have been taken.
4. All concerned are requested to implement the decisions on the recommendations accordingly.


(Rajat Pant, IAS)
Joint Secretary to the
Government of Tripura

RECOMMENDATIONS OF THE FIFTH STATE FINANCE COMMISSION AND DECISIONS ON THE RECOMMENDATIONS.

Sl. No.	Para of Report and Recommendation of 5 th SFC.	Decision.																														
1	<p style="text-align: center;">(Amount in Rs. Crore)</p> <table border="1"> <thead> <tr> <th>Head</th><th>2021-22</th><th>2022-23</th><th>2023-24</th><th>2024-25</th><th>2025-26</th></tr> </thead> <tbody> <tr> <td>D. Devolution.</td><td>94.70</td><td>94.70</td><td>94.70</td><td>94.70</td><td>94.70</td></tr> <tr> <td>E. Assignment of Taxes.</td><td>58.28</td><td>61.75</td><td>65.45</td><td>69.23</td><td>73.34</td></tr> <tr> <td>F. Grant-in-aid.</td><td>24.00</td><td>24.00</td><td>24.00</td><td>24.00</td><td>24.00</td></tr> <tr> <td>Total</td><td>176.98</td><td>180.45</td><td>184.15</td><td>187.93</td><td>192.04</td></tr> </tbody> </table>	Head	2021-22	2022-23	2023-24	2024-25	2025-26	D. Devolution.	94.70	94.70	94.70	94.70	94.70	E. Assignment of Taxes.	58.28	61.75	65.45	69.23	73.34	F. Grant-in-aid.	24.00	24.00	24.00	24.00	24.00	Total	176.98	180.45	184.15	187.93	192.04	State Government accepted the recommendation of 5 th SFC in respect of devolution of fund. 85% of recommended amount for assignment of taxes may be provided to ULB during 2024-25 to 2025-26.
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2	<p>(b) Under “Grant-in-aid”, following projects may be accepted by the State Government, for which fund to be provided to ULBs in addition :</p> <p style="text-align: center;">(Amount in Rs. Crore)</p> <table border="1"> <thead> <tr> <th>Sl. No.</th><th>Particulars.</th><th>Amount.</th></tr> </thead> <tbody> <tr> <td>1</td><td>Sanitation and Solid Waste Management(50%).</td><td>15.00</td></tr> <tr> <td>2</td><td>Safe drinking water.</td><td>20.00</td></tr> <tr> <td>3</td><td>Const. of an aggregated length 200 km road.</td><td>20.00</td></tr> <tr> <td>4</td><td>Maintenance of capital assets.</td><td>5.00</td></tr> <tr> <td>5</td><td>Preservation and development of water bodies.</td><td>5.00</td></tr> <tr> <td>6</td><td>Septage Management.</td><td>5.00</td></tr> <tr> <td></td><td>Total</td><td>70.00</td></tr> </tbody> </table>	Sl. No.	Particulars.	Amount.	1	Sanitation and Solid Waste Management(50%).	15.00	2	Safe drinking water.	20.00	3	Const. of an aggregated length 200 km road.	20.00	4	Maintenance of capital assets.	5.00	5	Preservation and development of water bodies.	5.00	6	Septage Management.	5.00		Total	70.00	Accepted.						
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3	<p>(c) Below mentioned projects may be taken up under different State/ Central Schemes :</p> <p style="text-align: center;">(Amount in Rs. Crore)</p> <table border="1"> <thead> <tr> <th>Sl. No.</th><th>Particulars.</th><th>Amount.</th></tr> </thead> <tbody> <tr> <td>1</td><td>Sanitation and Solid Waste Management (Balance 50%</td><td>15.00</td></tr> <tr> <td>2</td><td>Storm Water drainage.</td><td>20.00</td></tr> <tr> <td>3</td><td>Street Lighting in newly created ward/ Nagar Panchayats.</td><td>5.00</td></tr> <tr> <td>4</td><td>Providing online services.</td><td>5.00</td></tr> <tr> <td>5</td><td>Commission of electric crematoria.</td><td>5.00</td></tr> <tr> <td></td><td>Total</td><td>50.00</td></tr> </tbody> </table>	Sl. No.	Particulars.	Amount.	1	Sanitation and Solid Waste Management (Balance 50%	15.00	2	Storm Water drainage.	20.00	3	Street Lighting in newly created ward/ Nagar Panchayats.	5.00	4	Providing online services.	5.00	5	Commission of electric crematoria.	5.00		Total	50.00	Accepted.									
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4	<p><u>12.3.1(B)</u></p> <p>1. The level of manpower with the Municipal Bodies are not aligned with the spending capacity of the Municipal Bodies and the requirement of providing minimum level of basic services in view of this, Government needs to strengthen the human resources of ULBs for speedy utilization of funds and for delivery of minimum level of basic services.</p> <p>2. The Commission recommends for setting up of one State Level Institute with professional experts so as to impart training on regular basis to the manpower and elected representatives engaged in urban administration.</p>	In some ULBs, there is shortage of staff. ULBs may engage staff subject to availability of fund.
5	<p><u>12.3.2(B)</u></p> <p>1. At present there is no institute at State Level for undertaking training programmes for elected representatives and official of ULBs. The Commission recommends that the State Panchayat Raj Training Institute, AD Nagar may be converted into " State Level Training Institute for Local Bodies". The institute can undertake trainings of elected representatives of ULBs/PRI. This institute should be strengthened with adequate manpower, infrastructure, quality resource persons, IT professionals etc.</p>	Instead of separate training Institute, SIPARD is being used to organize such training for representative of ULBs. Thus, may not be accepted.
6	<p><u>12.3.3.</u></p> <p>1. Particular emphasis has to be given on E-Governance in delivery of basic services while conducting training programmes. Special focus may be given on application of ICT in programme implementation and monitoring.</p> <p>2. Special training may be organized for women representatives and elected representatives of PRIs & ULBs.</p>	Accepted.
7	<p><u>12.3.4(B)</u></p> <p>1. For achieving proper coordination and involvement of Municipal Bodies, Urban Development Department need to put in place a framework of guidelines relating to the functioning of line agencies like Tripura Urban Development Agency, Town and Country Planning Organization, Drinking Water and Sanitation Department/ the Tripura Jal Board, ULBs, Director, Urban development Department and the Secretary, Urban Development Department, and others like PWD(R&B), TSECL etc.</p> <p>2. ULBs need to develop integrated urban Accessibility planning (IUAP) which must include : i. Date of collection of Mapping. .ii. Analysing the magnitude of the problems and iii. Type of interventions required.</p>	Accepted.

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8	<p><u>12.3.5(B).</u></p> <p>1.An integrated Module of Accounting and Budgeting should be developed which will be useful for maintaining of receipts and expenditure of ULBs.</p> <p>2.The Commission recommends that all ULBs may be directed to adopt the double entry system for book keeping, maintain the asset register in a systematic manner, undertake annual stock verification and upload the assets record in the National Asset Directory on a regular basis.</p> <p>3.The Government is required to expedite the process of creating and maintaining data base of local finances.</p>	Accepted.
9	<p><u>12.4(B).</u></p> <p>1.The rates and structure of different taxes prescribed under the Municipal Act require revision and changes, whenever necessary.</p> <p>2.User Charges and fees should be levied and collected by Municipal bodies whenever services provided are user specific and identified. It should aim at achieving improve accountability, reduction of wasteful use and the principles of social equity.</p> <p>3.The State of Chhattisgarh has come with " Chhattisgarh Municipal Revenue(Establishment & Regulatory Commission) Act, 2011 which establish a Regulatory Commission to safeguard the interest of citizens and to rationalize and regulate user charges an other revenue collections by ULBs. The State Government can make a detailed study and may take appropriate decision.</p> <p>4.The ULBs can explore to develop water bodies as ECO-Park with recreation facilities which can be a source of revenue for ULBs.</p>	Accepted.
		Accepted.
		Not advisable at this stage.
		<p>It is being done through Finance Department. Thus this may not be acceptable.</p>
		Accepted.

Sl. No.	Para of Report and Recommendation of 5 th SFC.	Decision.
10	<p>12.4.1.</p> <p>1.5th SFC recommends establishment of State Property Tax Board for revision of property tax general rates after every 3 years, implement systematic tax mapping on a GIS platform, introduce plinth area wise property tax, and introduce systematic property tax on the basis of use and revision of property tax rules as per recommendation of Central Finance Commission. Properties should be assessed at 4/5 years interval.</p>	Accepted.
	<p>2. Development charges may be levied on industrial units by the concerned Local Bodies under whose jurisdiction such industries are located. The rates of such development charges can be decided by the Government.</p> <p>3. The Government may share cess imposed on generation of power by power plants with Rural and Urban Local Bodies in whose jurisdiction the power plants are setup.</p>	Accepted.
	<p>4. The Commission recommends that by converging funds available under different schemes, income generating assets can be maintained efficiently to yield higher revenues for GPs. Similarly, for ULBs the same approach can be adopted.</p>	Scope is very less. This will disincentivize investors. Not Accepted.
	<p>5. The Commission recommends for consideration of the Government to share the proceeds of conversion charges between the Panchayats and ULBs in the ratio of 75 : 25 respectively in cases of conversion of agricultural land for non-agricultural use. (2% to 3% on the land value be charged).</p>	As per TLR & LR Act, no conversion charge is levied. Only penalty is taken. Hence, not accepted.
	<p>6. Vigorous efforts should be made for collection of arrear demand along with current dues relating to tax and non-tax revenue along with measures for pursuing cases locked up in litigation.</p>	Accepted.
	<p>7. It is necessary that markets situated in Gram Panchayat/Municipal areas which are being managed by RMCS should be transferred to the management of the Local Bodies concerned. The Commission recommends that all market yards managed on revenue sharing basis by RMCs may be transferred to the control of the Gram Panchayats and Municipalities in whose jurisdiction such market yards function.</p>	Accepted.
	<p>8. The Commission recommends that appropriate parking space should be developed by Urban Local Bodies and Rural Local Bodies whenever such parking arrears are needed and such Local Bodies may levy parking fees not only to augment their own income but also to regulate the traffic.</p>	Accepted.
11	<p>12.5(B).</p> <p>1. The Commission recommends that meeting at the ward level of ULBs should be conducted regularly so as to discharge the duties assigned to the ward committee.</p> <p>2. Management of markets, daily haats should remain with the ULBs within the jurisdiction of which such markets exist.</p>	<p>Accepted.</p> <p>Markets are generally regulated by the provision of APMC Act. This is required to be examined to Agri. Department in regard to</p>

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		feasibility for implementation.
	3.Land transfer by the Revenue Department to ULBs for creation of capital assets, public service utilities, development of landfill sites and other ancillary activities need to be simplified. A land transfer policy for ULBs needs to be formulated.	Accepted.
	4.Each ULB should have a drainage master plan in order to avoid the problems of water logging during rainy season.	Accepted.
	5.Urban open space planning should form an important activity of ULB. State Government need to formulate a suitable policy in the light of Urban Greening Guidelines, 2014 of Government of India.	Accepted.
	6.Population should not be the sole criteria for declaring “a transitional area”, “smaller urban area” and “larger urban area”.	Accepted.
12	<p><u>12.5.1</u></p> <p>1.The Commission recommends for establishment of Tripura Horticulture University on the lines of such University in Himachal Pradesh, About 68% of the State is hilly and establishment of such university can bring about economic up-liftment of people living in hilly areas by its efforts and research. The existing Agriculture College can be brought under this University.</p>	Considering the prospect of horticultural crops in improving the economy of the State, the recommendation is accepted.
	2.In order to bring overall improvement in the health of people of Tripura, a dental college by the name “ Agartala Government Dental College” may be established.	A Dental College has already been setup.
	3. There is a crying need of Homeopathy College in the State as the people are very receptive for homeopathy treatment. Tripura State Homeopathy College may be established to fulfill the aspirations of the people of Tripura.	Accepted.
13	<p><u>11.7.8</u></p> <p>The Commission has noticed that the present rate of Honorarium for Elected members of ULBs has been revised recently by Governments while sitting fees and DA as per prevailing rate recommended by the other State Finance Commission (e.g. – 5th SFC of Odisha may be considered ULBs and hence recommends a similar hike)</p>	Urban Development Department is considering the issue.


 (Abhishek Singh)
 Secretary to the
 Government of Tripura